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Cooperative Approach to Crafts

For Senior Citizens



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PREFACE

One of the major issues facing the United States today is the economic situation of its elderly citizens. It has been estimated that one-quarter of the Nation's 20 million aged individuals live in poverty. A pressing need of these people is a source of additional income.

There exists at the same time, in the form of craft production talent, a potential income-producing activity largely undeveloped. While many craft programs for elderly people have been primarily recreational or therapeutic, considerable potential exists in a craft program for a successful economic activity. Extension of the American handcraft industry

to our elderly citizens can assist greatly in meeting many of their economic needs.

This publication discusses in a very general way some of the possibilities that exist for a craft organization, several factors that must be considered before a craft program is formulated, and several initial steps to be taken in establishing a craft cooperative for senior citizens. Prepared by Agricultural Cooperative Service, U.S. Department of Agriculture, in conjunction with the National Council on the Aging, it has drawn heavily on material developed by others working in the area of community and craft development.



COOPERATIVE APPROACH TO CRAFTS

for Senior
Citizens

Gerald E. Ely
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Older Americans are being forced out of meaningful economic involvement in increasing numbers. This is occurring despite evidence that points to a lengthening productive lifespan, a well-documented need for additional income, and ability and willingness to continue an economically active life.

The conditions are in large part the result of recent institutional changes that remove Americans from the work force at earlier ages—mandatory early retirement and age discrimination in hiring. While research shows a decline in productivity with advancing age, becoming more pro-

nounced after age 65, this decline is in no way commensurate with the abrupt decline in income and earnings that occur during the same period.

Because of institutionalized barriers to gainful employment and the need for social interaction, there has been growing interest in the formation of self-help groups that operate outside the constraints of the labor market as it now exists. Craft production offers one alternative activity with potential for providing supplemental income to senior citizens. The cooperative form of organization offers one vehicle for carrying on an effective craft program.

What is a Cooperative?

A cooperative is a business organization formed by a group of people to obtain certain services for themselves more effectively or economically than they can obtain them individually. These people own, finance, and operate the business for their mutual benefit.

Like the individual proprietorship, partnership, or corporation, a cooperative must operate on a sound business basis if it is to succeed. Competent planning and management to carry out the objectives of the cooperative are prime requirements of an effective craft program.

Elements of an Income-Producing Craft Program

An effective income-producing craft program consists of several parts. Briefly, it must include:

- Organizational structure that places ownership, control, and benefits in the hands of those who use its services—the member craft producer.

- Design assistance to help craftspeople identify marketable crafts, redesign existing craft products, or design new products with market potential.

- Production assistance to enable crafts-

people to produce craft work in the most efficient manner. This may include production training and assistance in procuring equipment and supplies, among other activities.

- Marketing assistance to enable the craftspeople to sell craft work in the most advantageous manner. This may include marketing research and development, promotion, actual sales activity (retail or wholesale), and other market-related activities.

- Supportive assistance to enable craftspeople to develop their craft activities in a professional manner to the full extent of their capabilities. This might include securing needed services (such as insurance coverage), providing pertinent information regarding programs available to members, and making members aware of relevant regulations, among other activities.

Following are just a few examples of the types of activities that are part of current functioning craft programs for senior citizens:

- New designs have been developed by college students, in consultation with buyers for large department stores, for high-quality products that can be produced and sold by senior citizens.

- Training programs have been conducted to train senior citizens to produce

high-quality crafts in the most efficient manner.

—Expensive equipment has been purchased by the senior citizens' organizations to bulk-process large quantities of material for use in craft products, thus reducing the time required to complete each item.

—Many groups purchase material in bulk quantities, thus taking advantage of price discounts and helping to maintain a uniform craft product.

—Several groups operate craft shops to provide outlets for members' work as well as make contact with craft-shop buyers to sell large quantities of some craft items.

Of course, the activities of any craft cooperative organization depend on the needs of the members, the resources that exist in the community, and the extent to which the cooperative leadership utilizes those resources to meet the group's expressed needs.

Rationale of "For-Sale" Craft Activity

Several characteristics of craft production make a "crafts-for-sale" activity especially appealing to senior citizens.

—Many senior citizens possess craft skills that lend themselves to profitable



craft production. These may be traditional or ethnic skills unique to an area or culture. Crafts were, in many cases, an important part of the early lives of older citizens. Thus, identification with a rich heritage adds appeal to a craft activity.

—Craft production is versatile—it can often be done either at home or in a centralized location. Thus, it is relatively easily adaptable to the mobility characteristics of the elderly.

—Craft production usually requires relatively small investments in facilities and equipment. Often the tools needed are already owned. This is especially important at a stage in life when investments of large sums of money for vocational endeavors are not possible.

In addition to the advantages that relate to individual craft producers, the public interest in crafts has greatly enhanced the potential for profitable craft activity. Consumer trends away from mass-produced items toward items of higher quality, more personalized products for gifts, home furnishings, and personal items have been especially beneficial to the craft industry.

Given the interest that exists in craft production by senior citizens and the potential markets that exist for crafts, consideration of craft production as a source of supplemental income is justified. However, several important factors must be carefully evaluated before a craft activity is attempted by a group.

Evaluation of Potential for a Craft Cooperative and Formation Procedure

It takes only a few craft producers or other interested individuals to initiate the formation of a craft cooperative. In many localities, one or more groups of senior citizens gather on a fairly regular basis and include crafts as part of their program. These people often become the nucleus of a craft cooperative.

The evaluation process to determine whether a craft cooperative is feasible consists of a series of questions. A “yes” response to one question leads to the next, then to the third, and so on until either a “no” response is reached or the cooperative organization is formed. Each progression requires increased involvement and



responsibility on the part of those considering the cooperative formation.

Question 1: Does a need exist among local senior citizens for an income-producing activity, and if so, could a craft cooperative program provide a possible solution to that need?

Discussion of this question usually starts in an informal way. If the group involved decides that both the need and potential do exist, they should serve as an informal committee to explore the possibilities for a group craft activity. This committee should identify and consult with individuals familiar with cooperatives and craft activities to gain a better understanding of what is involved in forming a craft cooperative. (Appendix A lists several sources of assistance in identifying resource people.) The committee should also, with the assistance of the resource people, develop information that can be used to present the idea to other potential members and gain some measure of interest in forming an organization.

Question 2: Does sufficient interest exist in the community to make formulation of a craft organization possible?

If so, additional potential members and a sponsoring organization should be identi-

fied. Development will be greatly enhanced if the sponsoring organization can provide some or all of the following facilities or services:

- a mailing address and telephone number;
- meeting space;
- use of local telephone service;
- use of typewriter, paper, and duplicating equipment; and
- limited storage.

The survey to further identify potential handcraft producers should, either through telephone or personal contact, search out groups and individuals who might be interested in participating in a cooperative craft program. (Appendix B is a sample craft survey that may serve as a guide to the type of information to be gathered.)

Question 3: Is there sufficient interest in the formation of a craft cooperative to warrant proceeding further?

This question should be discussed and answered at a public meeting of potential cooperative members and other individuals interested in formation of the cooperative. The meeting should draw heavily on the resource person to supply the group with a sound overview of the nature of a "crafts-for-sale" organization and the general

requirements for success of such a venture. Both advantages and disadvantages should be clearly outlined.

If, after discussing the potentials of such an association sufficient interest exists, a survey committee should be appointed to study the conditions under



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If, after discussing the potentials of such an association sufficient interest exists, a survey committee should be appointed to study the conditions under

which the craft organization would operate. The major task of the committee is to determine in detail the economic feasibility of a “handcrafts-for-sale” organization.

Question 4: Is a craft cooperative likely to be successful and beneficial to its members?



Response to this question requires a careful review by the survey committee and its advisers of all potential information available.

The main areas the survey committee must explore include:

- need for a craft cooperative;
- potential membership;
- volume and quality of craft production;
- craft markets—existing or potential;
- management skills needed and available;
- facilities needed and available;
- operating expenses;
- legal requirements; and
- funding requirements.

Intensive review of these areas is of major importance in properly evaluating the potential for a successful income-producing craft activity. Detailed discussion of the feasibility study is beyond the scope of this publication. (Appendix C lists publications offering pertinent material.)

Results of the survey committee's evaluation should be outlined in a report to be presented at the second meeting of potential members. The report should be thoroughly discussed and the potentials and limitations



clearly understood. Following the discussion, the potential members again must make a decision.

Question 5: Given the potential outlined in the feasibility study, does sufficient interest exist to justify formation of the craft cooperative?

If sufficient interest is expressed, an organization committee should be appointed by the chairman. Using the accepted recommendations of the survey committee as the organizational blueprint, the committee proceeds with its responsibilities.

A lawyer should be retained by the committee to ensure that proper legal procedures are followed in setting up the cooperative. The organization committee has four major responsibilities. They are to:

- sign up potential members;
- draft the bylaws and other legal organization papers;
- file the articles of incorporation;
- arrange the first meeting of members.

Detailed discussion of these specific steps is beyond the scope of this publication. (Appendix C lists publications providing pertinent material.)

Guidelines for Success

Evaluation of the potential for a craft cooperative and the actual formation of an organization require large amounts of time and effort by many people. There are no secrets for success. Experience has shown, however, that following some rather basic guidelines can greatly enhance the chances for a fruitful conclusion to the efforts.

Following are guidelines that have proved valuable:

—*Identify and utilize existing resources.* Too often those responsible for leadership in craft development overlook the resources and expertise available in the community.

Business organizations, civic clubs, community colleges, organizations of retired citizens, and churches should all be considered potential sources of assistance.

—*Be realistic.* Don't expect miracles of a craft cooperative. It is not going to solve all the income problems of senior citizens. Craft production does have income-producing potential for some individuals. Carefully evaluate the local situation and be ready to accept the potential and limitations.

—*Stress quality from the very beginning.* No economically viable craft program can be built on low-quality craft products.





APPENDIX A

Sources of Assistance

Following is a list of programs or individuals that may be of assistance in developing a craft program.

National Council on Aging
1828 L Street, N.W.
Washington, D. C. 20036

Administration on Aging
400 Sixth Street, S. W.
Washington, D. C. 20201

Community Services Administration
1200 - 19th Street, N. W.
Washington, D. C. 20506

Economic Development Administration
Department of Commerce
Washington, D. C. 20230

National Endowment for the Arts
2401 E Street, N. W.
Washington, D. C. 20506

Agricultural Cooperative Service
U.S. Department of Agriculture
Washington, D. C. 20250

Bureau of Indian Affairs
Indian Arts & Crafts Board and
National Park Service
U.S. Department of Interior
Washington, D. C. 20242

Cooperative Extension Service
(Contact the local office)

In addition to the above, numerous local and State agencies may be of assistance. Included are:

State agencies on aging

Local senior centers

State arts councils

State or local development agencies

APPENDIX B Sample Craft Survey

1. Do you currently make crafts?

Yes ☐ Answer A through E below

No ☐ Go to question 2

A. What material do you work with? (wood, ceramics, leather, yarn, etc.) _____

B. What items do you produce? _____

C. How much time do you spend per week on craft production? _____ hrs.

D. Have you sold any of your crafts in the last year?

Yes ☐ What were your approximate sales last year? _____ dols.

No ☐ Would you be interested in selling your crafts?

Yes ☐

No ☐

E. Are you part of a handcraft group?

Yes ☐ What is the name and address of the group?

No ☐

Skip to question 3.

2. Would you be interested in learning to produce a craft for sale?

Yes ☐ What crafts would you like to learn to produce?

No ☐

3. Would you be interested in helping to organize a handcrafts organization?

Yes ☐ Answer question A below

No ☐ We appreciate your completing this survey and returning it to us.

A. Below are several types of help which might be needed if a craft organization was formed. Please indicate in which areas you would be interested and able to participate.

(1) Producing crafts for sale through the organization _____

(2) Teaching crafts to others. _____

(3) Serving on a committee to help organize the organization. _____

(4) Assisting with business procedures. _____

(5) Bookkeeping for the organization. _____

(6) Others, please list—

We appreciate your completing this survey and returning it to us

Name _____

Address _____

Telephone No. _____

Male _____

Female _____

Age _____

APPENDIX C

More detailed information on particular steps in forming cooperatives is contained in other publications that may be obtained by writing Agricultural Cooperative Service, U.S. Department of Agriculture, Washington, D.C., 20250. These publications include:

How to Start a Cooperative. C. H. Kirkman, Jr. CIR 7. Revised 1979. 18 pp.

Cooperative Approach to Crafts. Gerald E. Ely. Program Aid 1001. Revised 1978. 38 pp.

What Are Cooperatives? C. H. Kirkman, Jr. CIR 11. Revised 1978. 9 pp. (Also in Spanish.)

Members Make Co-ops Go. C. H. Kirkman, Jr. CIR 12. Revised 1978. 11 pp. (Also in Spanish.)

Guides to Co-op Bookkeeping. Francis P. Yager. CIR 20. Revised 1978. 15 pp.

Sample Legal Documents, Part I, Legal Phases of Farmer Cooperatives. Morrison Neely. FCS Information 100. 1976. 42 pp.

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**U.S. Department of Agriculture
Agricultural Cooperative Service**

Agricultural Cooperative Service provides research, management, and educational assistance to cooperatives to strengthen the economic position of farmers and other rural residents. It works directly with cooperative leaders and Federal and State agencies to improve organization, leadership, and operation of cooperatives and to give guidance to further development.

The agency (1) helps farmers and other rural residents obtain supplies and services at lower costs and to get better prices for products they sell; (2) advises rural residents on developing existing resources through cooperative action to enhance rural living; (3) helps cooperatives improve services and operating efficiency; (4) informs members, directors, employees, and the public on how cooperatives work and benefit their members and their communities; and (5) encourages international cooperative programs.

The agency publishes research and educational materials, and issues *Farmer Cooperatives*. All programs and activities are conducted on a nondiscriminatory basis, without regard to race, creed, color, sex, or national origin.